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*Counsel for the Official Committee of Equity Security Holders of  
 USA Capital First Trust Deed Fund, LLC*

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re: ) BK-S-06-10725-LBR  
 USA COMMERCIAL MORTGAGE COMPANY ) Chapter 11  
 Debtor )

In re: ) BK-S-06-10726-LBR  
 USA CAPITAL REALTY ADVISORS, LLC, ) Chapter 11  
 Debtor )

In re: ) BK-S-06-10727-LBR  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC, ) Chapter 11  
 Debtor )

In re: ) BK-S-06-10728-LBR  
 USA CAPITAL FIRST TRUST DEED FUND, LLC, ) Chapter 11  
 Debtor. )

In re: ) BK-S-06-10729-LBR  
 USA SECURITIES, LLC, ) Chapter 11  
 Debtor. )

Affects )  
☐ All Debtors )  
☒ USA Commercial Mortgage Co. ) Date: March 15, 2007  
☐ USA Securities, LLC ) Time: 9:30 a.m.  
☐ USA Capital Realty Advisors, LLC )  
☐ USA Capital Diversified Trust Deed )  
☒ USA Capital First Trust Deed Fund, LLC )

**DECLARATION OF MATT KVARDA IN SUPPORT OF FIFTH OMNIBUS OBJECTION OF  
 THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS OF USA CAPITAL  
 FIRST TRUST DEED FUND, LLC – MISFILED CLAIMS (AFFECTS DEBTORS USA  
 COMMERCIAL MORTGAGE COMPANY AND USA CAPITAL FIRST TRUST DEED  
 FUND, LLC)**

1 I, Matt Kvarda, hereby declare and state as follows:

2 1. On April 13, 2006, the following related entities filed for relief under Chapter  
3 11 of the Bankruptcy Code: (1) USA Commercial Mortgage Company ("USACM"); (2) USA  
4 Capital First Trust Deed Fund, LLC ("FTDF"); (3) USA Capital Diversified Trust Deed Fund,  
5 LLC ("DTDF"); (4) USA Securities, LLC; and (5) USA Capital Realty Advisors, LLC  
6 (collectively, the "Debtors").  
7

8 2. On May 10, 2006, the United States Trustee appointed the following official  
9 committees to represent the interests of their respective constituents in these bankruptcy cases:  
10 (1) the Official Committee of Holders of Executory Contract Rights Through USA  
11 Commercial Mortgage Company (the "Direct Lenders Committee"); (2) the Official  
12 Committee of Unsecured Creditors of USA Commercial Mortgage Company (the "UCC"); (3)  
13 the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund,  
14 LLC (the "FTDF Committee"); and (4) the Official Committee of Equity Security Holders of  
15 USA Capital Diversified Trust Deed Fund, LLC (the "Diversified Committee").  
16

17 3. I am a Managing Director of Alvarez & Marsal, LLC, the Court-approved  
18 financial advisor to the FTDF Committee since June 1, 2006.  
19

20 4. On October 16, 2006, the Court ordered FTDF to provide the FTDF  
21 Committee Professionals with the Debtor's records of the composition of the FTDF members  
22 and their respective investments in FTDF, which list (the "FTDF Member List") was provided  
23 to the FTDF Committee Professionals shortly thereafter.  
24

25 5. I have reviewed the facts stated in the Third Omnibus Objection of the Official  
26 Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC to  
27 Misfiled Claims (the "Misfiled Claims Objection").  
28

7. I declare, under penalty of perjury, that the foregoing statements are true and correct to the best of my knowledge and belief.

  
MATT KVARDA